

U.S. DEPARTMENT OF HOMELAND SECURITY
U.S. DEPARTMENT OF TRANSPORTATION
CALIFORNIA STATE LANDS COMMISSION

PUBLIC HEARING IN THE MATTER OF
CABRILLO PORT LIQUEFIED NATURAL
GAS DEEPWATER PORT LICENSE

SANTA CLARITA ROOM
REC CENTER
20870 CENTRE POINTE ROAD
SANTA CLARITA, CALIFORNIA

MONDAY, APRIL 17, 2006
6:32 P.M. TO 8:30 P.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

Surlene Grant, Hearing Moderator
Envirocom, Communications Strategies

Mark Prescott, Chief, Deepwater Port Standard Division,
U.S. Coast Guard Headquarters

Dwight Sanders, Chief, Division of Environmental Planning
and Management, California State Lands Commission

Cheryl Karpowicz, AICP, Ecology & Environment, Inc.
International Specialists in the Environment

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

I N D E X

	Page
PANEL COMMENTS	
Dwight Sanders, California State Lands Commission	2
Mark Prescott, Chief, Deepwater Port Standard Division, U.S. Coast Guard Headquarters	4
Cheryl Karpowicz, AICP, Ecology & Environment, Inc. International Specialists in the Environment	7
PUBLIC COMMENTS	
Marsha McLean, Mayor Pro Tem, City of Santa Clarita	11
Bobbie Watkins, Representing Assembly Member Lloyd Levine	13
David Doepel, Representative Government of Western Australia	14
Laurene Weste, Mayor, City of Santa Clarita	16
Sydney Dailey, L.A. Area Chamber of Commerce	18
John H. Andrews, Retired, U.S. Coast Guard	19
Vicki Estrada, Concerned Citizen	22
Tony Tartaglia, Southern California Gas Company	24
George Shaw, California State Education	26
George Minter, Concerned Citizen	
Doug Van Leuven, Concerned Citizen	29
John Coelho, MEBA Marine Engineers Beneficial Association	32
Cam Noltemeyer, Concerned Citizen	34
PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345	

I N D E X

	Page
PUBLIC COMMENTS (CONT.)	
William Doyle, MEBA Marine Engineers Beneficial Association	37
Jack Brumfield, On Behalf of Larry Mankin Santa Clarita Chamber of Commerce	40
Carolyn Casavan, VICA Valley Industry Chamber of Commerce Association	42
Adjournment	45
Certificate of Reporter	46
PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345	

1 P R O C E E D I N G S

2 MODERATOR GRANT: I'm Surlene Grant and I will be
3 serving as your facilitator this evening.

4 I'm sure many of you have been through this
5 process before, but just in case to let you know that this
6 evening's meeting is a public hearing to receive your
7 comments on the Revised Draft Environmental Impact Report
8 for the Cabrillo Port Liquefied Natural Gas, or LNG,
9 Deepwater Port.

10 If you have come to speak this evening, please
11 take a moment to complete the speaker card, they were out on
12 the desk in the front, the yellow cards, so that we can call
13 on you in due order, and then I'll explain the process as we
14 go forward.

15 First, it's important that you complete the
16 speaker card, then when we take public comments -- we're
17 going to have a short presentation. When we take public
18 comments, there's a group of chairs here that I'm going to
19 ask that you move to the front, so that we can take you in
20 order, elected and appointed officials, public agencies,
21 individuals or groups who've signed up, and then others.

22 You'll have three minutes to make your comments.
23 I will be timing you. When you have one minute left, you'll
24 see this little, bright green sheet of paper. When it's
25 time for you to wind up your comments, you'll see the pink,

1 almost red sheet of paper.

2 Some of you may want to prepare written statements
3 or submit written statements. We will accept those, I will
4 accept those and they will become part of the public record.

5 And, as I said, we're going to have a quick
6 presentation at this moment by Dwight Sanders, with the
7 California State Lands Commission.

8 MR. SANDERS: Thank you, Surlene.

9 MODERATOR GRANT: That doesn't amplify.

10 MR. SANDERS: It doesn't, okay.

11 As Surlene has indicated, my name is Dwight
12 Sanders, I'm Chief of the Division of Environmental Planning
13 and Management, with the California State Lands Commission
14 in Sacramento.

15 Just as an overview, the State Lands Commission
16 has two significant roles in the proposed project. First,
17 the Commission has received an application from BHP Billiton
18 to use State lands, offshore California, to place two
19 natural gas pipelines associated with the Proposed Cabrillo
20 Port Liquefied Natural Gas Deepwater Port.

21 Second, and the reason we are here tonight, the
22 Commission is the lead agency under the California
23 Environmental Quality Act, or SEQA, and as such is
24 responsible for preparing the environmental impact report
25 for the proposed project.

1 As just some historical background, the Cabrillo
2 Port LNG Deepwater Port draft, EIS/EIR, was circulated and
3 published in October 2004 and some of you here may have
4 participated in those hearings that we held in the area,
5 here.

6 The applicant and the lead agencies reviewed the
7 comments received and the applicant subsequently revised key
8 elements of the project, and these will be described shortly
9 in Cheryl Karpowicz's presentation.

10 Commission staff's determined that the project's
11 modifications and related potential impacts constituted
12 "significant new information," as defined under the CEQA,
13 and has prepared and recirculated the Revised Draft EIR for
14 additional public comment.

15 The purpose of this hearing, as Surlene has
16 alluded to, is to receive comments from everyone on the
17 adequacy of the analyses within the Revised Draft EIR.

18 While staff appreciates that the project has
19 generated controversy and concern, statements of either
20 support or opposition will not be useful to us in trying to
21 complete the final EIS/EIR.

22 The public comment period for this document is
23 designated on April 28th. We believe, however, that an
24 extension of time will serve the public interest by
25 providing increased opportunity for the submission of

1 comments.

2 We have decided, therefore, to extend the comment
3 period by two weeks. That is, until Friday, May 12th, 2006.
4 Which will result in a 60-day public review period.

5 No consideration of the project will occur until a
6 final environmental document is prepared and released. This
7 will not happen until sometime later this year.

8 Under the California Environmental Quality Act the
9 Commission, at another noticed public hearing, will consider
10 the final EIR. Should the Commission certify the
11 Environmental Impact Report, the Commission would
12 subsequently consider whether to approve or deny BHP
13 Billiton's application for a pipeline right-of-way lease.

14 With me today are Mark Prescott, to my left,
15 representing the United States Coast Guard.

16 Cheryl Karpowitz to my furthest left, representing
17 Ecology and Environment, our environmental consultant.

18 And you've met Surlene, who will be serving as the
19 facilitator for the hearing.

20 We thank you for taking the time to provide us
21 your comments tonight.

22 Mark?

23 MR. PRESCOTT: Thank you, Dwight.

24 Good evening. As Dwight said, my name is

25 Mark Prescott, I'm the Chief of Coast Guard's Deepwater Port

1 Standards Division, at Coast Guard Headquarters. My office
2 is responsible for processing deepwater port applications in
3 cooperation with the Maritime Administration.

4 We are the lead Federal agencies for the
5 development of the Environmental Impact Statement, which we
6 are preparing as a joint document with the California State
7 Lands Commission.

8 The California State Lands Commission determined
9 that the Cabrillo Port LNG Deepwater Port Draft
10 Environmental Impact Report would be recirculated to meet
11 the requirements of the California Environmental Quality
12 Act.

13 The draft EIR was initially published as a joint
14 State/Federal draft environmental impact statement and draft
15 environmental impact report in October of 2004.

16 The United States Coast Guard, along with the
17 Maritime Administration, determined that recirculation of
18 the Draft Environmental Impact Statement was not required to
19 meet Federal requirements of the National Environmental
20 Policy Act and other Federal, applicable regulations.

21 So why am I here tonight? While the Coast Guard
22 and MARAD have determined that while the recirculation of
23 the October 2004 Cabrillo Port Draft EIS is not required,
24 the Coast Guard and MARAD fully support the California State
25 Lands Commission's efforts to satisfy CEQA requirements by

1 recirculation of the draft EIR.

2 I'm here to explain that role and to demonstrate
3 our continued report and cooperation with the State. It is
4 our intention to continue to work closely with the State and
5 we will consider all comments received on the revised draft
6 EIR for appropriate incorporation into a final joint
7 EIS/EIR.

8 We fully expect to jointly produce a final single
9 document, later this year, that will serve as the basis for
10 State and Federal decision makers.

11 The Coast Guard, MARAD, and other Federal agencies
12 cooperating in this process, and in cooperation with the
13 State of California partners, are all committed to working
14 together to achieve a fair, open, and unbiased environmental
15 review that examines all relevant issues.

16 We invite and encourage public participation
17 throughout this process and you may follow on your public
18 document, which is available at the DOT document management
19 system, on the internet, and the docket number is listed in
20 the State's notice. It's 16877.

21 Thank you for your participation tonight.

22 MR. SANDERS: Cheryl, if you would, could you go
23 through a brief presentation on the status and changes on
24 the project, please?

25 MS. KARPOWICZ: Thank you, Dwight. Is this on?

1 MR. SANDERS: Yes. Not that one.

2 MS. KARPOWICZ: Just this one?

3 MR. SANDERS: Yeah.

4 MS. KARPOWICZ: Okay. Thank you, Dwight.

5 The California State Lands Commission and the U.S.
6 Coast Guard have hired Ecology and Environment,
7 Incorporated, to assist them in preparing an independent
8 third-party Environmental Impact Statement/Environmental
9 Impact Report. Our contract is with the California State
10 Lands Commission and we are working directly for
11 Dwight Sanders and Mark Prescott.

12 Our job has been to independently verify
13 information that has been submitted by BHP Billiton, to
14 analyze alternatives and potential impacts, and to assist
15 the Coast Guard and Lands Commission to prepare the document
16 for public review and comment.

17 Tonight, we look forward to hearing your comments
18 regarding the Revised Draft EIR, which incorporates comments
19 received during the 2004 comment period. We will respond to
20 all comments in the final EIS/EIR, which we plan to publish
21 and distribute in the summer of 2006.

22 Here's a map of the proposed location in the
23 region. The Deepwater Port would be located about 14
24 statute miles, or 12.01 nautical miles offshore, at the
25 closest point to land. This is the only place where LNG

1 would be handled.

2 Onshore, a metering station and other facilities
3 would be built, and underground pipelines would transport
4 natural gas through Oxnard, and/or Ventura County, and in
5 Santa Clarita, to the existing Southern California gas
6 system.

7 This graphic shows a schematic of the location of
8 the offshore LNG Port and components of the port and
9 project.

10 Here, you see the offshore components. The
11 floating storage and regasification unit, or FSRU, would be
12 anchored offshore and would connect with two subsea
13 transmission pipelines that would lie on the ocean floor.

14 Closer to shore, the pipelines would be installed
15 beneath the beach, at the Reliant Ormond Beach generating
16 station and would connect with the metering station, and
17 then go on to the proposed Center Road pipeline.

18 The two proposed onshore pipelines, the Center
19 Road pipeline in Oxnard and Ventura County, and the line 225
20 pipeline loop, in Santa Clarita, are shown here.

21 There have been a number of changes to the
22 proposed projects since we last met with you. All of these
23 changes have been incorporated in the revised draft EIR.
24 I'd like to just briefly list them.

25 Some dimensions of the proposed FSRU are larger,

1 including the length, which is now 971 feet, up from 938
2 feet.

3 The natural gas odorant would be injected on the
4 FSRU to aid in leak detection.

5 The safety zone would be measured from the stern
6 of the FSRU and not from the mooring point, which increases
7 the size of the safety zone.

8 The U.S. Environmental Protection Agency has
9 determined that Federal prevention of significant
10 deterioration requirements do not apply to the project,
11 since maximum pollutant emissions fall below major source
12 thresholds.

13 To reduce air emissions, fewer support vessels
14 would be used, and they would operate on natural gas instead
15 of diesel.

16 The route of the offshore pipelines has been
17 revised, following geotechnical analysis, to reduce the
18 potential for a turbidity flow to affect the pipelines.

19 Pipeline installation at the shore crossing would
20 use a technology less likely to release fluids during
21 construction.

22 The Center Road pipeline would be rerouted to
23 bypass Mesa Union School, and additional pipeline safety
24 features would be included to reduce impacts in case of a
25 release of natural gas.

1 These changes have been analyzed in the Revised
2 Draft EIR.

3 One of our jobs in preparing the report is to
4 analyze both the proposed project and a range of
5 alternatives. The alternatives we examined are shown on
6 this map and include the no action alternative, an
7 alternative port location, alternative shore crossings,
8 three alternatives to the Center Road pipeline, and an
9 alternative to the Santa Clarita pipeline.

10 We identified a broad range of environmental
11 issues and resources for analysis, as contained in the
12 Revised Draft EIR. In all, we identified 97 potential
13 impacts and 85 mitigation measures.

14 Twenty impacts, in nine resource categories, would
15 remain significant after mitigation.

16 Thank you. We look forward to your comments.

17 MR. SANDERS: And now, we're going to turn it over
18 to the pro.

19 MODERATOR GRANT: And, now, we're going to take
20 public comments. Thank you.

21 One quick housekeeping item, in case people are
22 new to this facility, the ladies room and the mens room is
23 down the hall, to the left, beyond the pool tables. So it's
24 a little ways, a little hidden, just wanted to point that
25 out.

11

1 We have a court reporter with us this afternoon,
2 this evening, who will be documenting all your comments.
3 And so for the record, while I will be calling you up by
4 name, if you have a different spelling to your name, if you
5 could take a moment to spell it out, we would appreciate it.

6 And with that, what I'd like to do, as I indicated
7 before, is I'm going to call you up on groups of about five,
8 and if you come and just make a queue by sitting here, until
9 it's your turn to speak, then you'll have three minutes to
10 make your comment.

11 When you're down to about one minute, I will put
12 up the one-minute sign. And when you have reached the end
13 of your comments, I would encourage you to finish your
14 sentence or two with the end sign.

15 All right, thank you. The first speaker is the
16 Mayor Pro Tem, Marsha McLean, followed by Bobbie Watkins,
17 followed by David Doepel, and then Lawrence (sic) Weste.

18 MS. MC LEAN: Do both of these work, need to work?
19 Just this one. Oh, okay. Got it, thank you.

20 Hi, my name is Marsha McLean and I am Mayor Pro
21 Tem for the City of Santa Clarita.

22 The City's review of the Revised Draft EIR is not
23 yet complete. However, the City is hopeful that proponents
24 have addressed the concerns outlined in the City's response
25 to the previous draft EIR.

12

1 And as I stated to you before, preservation of the
 2 Santa Clara River is extremely important to our City and
 3 must be protected during and after your project is
 4 completed.

5 The City's review of the Revised Draft EIR will
 6 focus on the following issues; identification and evaluation
 7 of mitigation measures. The City wants to insure that all
 8 mitigation measures are thoroughly identified and evaluated
 9 for their effectiveness. The previous EIR identified
 10 mitigation measures that called for future studies deferring
 11 mitigation.

12 There should be not future studies in an EIR, it
 13 should contain all such studies.

14 Protection of biological/cultural resources. The
 15 City review will ask that you insure all appropriate studies
 16 are conducted up front to identify potential impacts to
 17 biological and cultural resources, and insure effective
 18 mitigation measures for these impacts.

19 Air quality. The City wants to insure that all
 20 potential impacts to air quality comply with the standards
 21 of the Southern California AQMD.

22 Traffic. The City wants to insure that adequate
 23 measures are taken to mitigate the impacts construction will
 24 have on traffic. The City appreciates the proponent's
 25 extensive public outreach efforts and willingness to openly

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T001-1

T001-1

As described in Section 2.7.2.1, "Watercourse Crossings," the Line 225 Pipeline Loop would cross the Santa Clara River within the existing girder bridge at McBean Parkway. Impact TerrBio-3 in Section 4.8.4 contains additional information on this topic.

T001-2

T001-2

Mitigation measures for each significant impact are stipulated throughout the EIS/EIR and those that require future products, e.g., the Biological Resource Mitigation Implementation and Monitoring Plan, contain a listing of topics that must be addressed. These requirements are performance standards by which such plans would be evaluated when it is practical to prepare them. Under the CEQA, mitigation measures "may specify performance standards which would mitigate the significant effect of the project and which may be accomplished in more than one specific way." (State CEQA Guidelines section 15126.4(b)). NEPA does not require performance measures for proposed mitigation but only requires mitigation measures to be identified (40 CFR 1502.14(f) and 1502.16(h)).

T001-3

The lead Federal and State agencies share the responsibility to ensure that mitigation measures are implemented. Table 6.1-1 in Chapter 6 is the basis for the Mitigation Monitoring Program, which would be implemented, consistent with section 15097(a) of the State CEQA Guidelines, to ensure that each mitigation measure is incorporated into Project design, construction, operation, and maintenance activities.

Section 4.2.5 contains information on liability in case of an accident and reimbursement for local agencies.

T001-4

T001-3

The Applicant has completed surveys of the pipeline rights-of-way in accordance with California Department of Fish and Game protocol. Surveys included a wetland delineation survey that meets the California Coastal Commission and California Department of Fish and Game wetland definition, botanical and wildlife surveys for Federal and State listed species, a wintering waterfowl survey, a burrowing owl survey, and surveys to determine whether any oak trees would need to be removed during construction. Section 4.8 contains the results of these surveys, and Section 4.8.4 contains mitigation measures. Additional preconstruction plant and wildlife surveys, specific to the final construction timeline, would be completed for special status species, for any federally listed and California protected species specified by the USFWS or the CDFG, to minimize the potential for causing mortality of local wildlife.

T001-5

However, for purposes of the impact analyses and resultant mitigation, all relevant species are presumed to exist in the vicinity of the proposed Project.

Section 4.9.1 contains the results of an onshore pedestrian cultural resources survey and an assessment of national and state registry eligibility. Section 4.9.4 contains mitigation measures.

T001-4

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T001-5

Section 4.17.4 contains information on potential transportation impacts and mitigation measures to address such impacts.

13

1 discuss the project and its issues.

2 We all recognize the importance of clean energy
3 and we have no problem with the liquid natural gas process,
4 and what you need to do to bring it. However, the impacts
5 that will be taken or happen, because of this project,
6 hopefully, will be mitigated to the nth degree. Thank you
7 so much.

8 MODERATOR GRANT: Bobbie Watkins.

9 MR. WATKINS: Thank you. Good evening. My name
10 is Bobbie Watkins and I live at 17333 Tromanto Drive,
11 Pacific Palisades.

12 I'm here at the request of the office of Assembly
13 Member Lloyd Levine, also chair of the Assembly Utilities
14 and Commerce Committee.

15 Assembly Member Levine has asked that his letter
16 of support for a new LNG energy supply, such as that
17 represented by Cabrillo Port, be entered into the record at
18 tonight's hearing.

19 He states that many of his constituents rely upon
20 the use of cleaning-burning and fuel-efficient natural gas
21 for a variety of residential, commercial, and industrial
22 applications.

23 He is especially sensitive to the critical role
24 that natural gas plays in our State's and our region's clean
25 air strategies.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T001-6

Mitigation measures for each significant impact are stipulated throughout the EIS/EIR and those that require future products, e.g., the Biological Resource Mitigation Implementation and Monitoring Plan, contain a listing of topics that must be addressed. These requirements are performance standards by which such plans would be evaluated when it is practical to prepare them. Under the CEQA, mitigation measures "may specify performance standards which would mitigate the significant effect of the project and which may be accomplished in more than one specific way." (State CEQA Guidelines section 15126.4(b)). NEPA does not require performance measures for proposed mitigation but only requires mitigation measures to be identified (40 CFR 1502.14(f) and 1502.16(h)).

The lead Federal and State agencies share the responsibility to ensure that mitigation measures are implemented. Table 6.1-1 in Chapter 6 is the basis for the Mitigation Monitoring Program, which would be implemented, consistent with section 15097(a) of the State CEQA Guidelines, to ensure that each mitigation measure is incorporated into Project design, construction, operation, and maintenance activities.

Section 4.2.5 contains information on liability in case of an accident and reimbursement for local agencies.

T001-7

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T001-7 Continued

14

1 His letter is to affirm his support for LNG to
2 serve both California's clean energy and clean air goals.
3 He states that LNG deliveries that connect to the
4 existing gas utility system will increase available gas
5 supply and act as a competitive balance to moderate prices
6 of natural gas transported to California from other areas.
7 It also diversifies gas supply, contributing to enhanced
8 reliability.

9 He continues to believe that California needs LNG.
10 Thank you.

11 MODERATOR GRANT: David Doepel.

12 MR. DOEPEL: My name is David Doepel and I'm the
13 Regional Director in the United States for the West
14 Australian Trade and Investment Office.

15 I rise in support of the Cabrillo Port Project.
16 And I believe that it's important for Californians to
17 understand a little about where the proposed LNG will be
18 sourced and the standards under which it is extracted and
19 processed.

20 Australia is a federation made up of six states
21 and two territories. The State of Western Australia
22 occupies the western third of our continent. It is six
23 times the size of California and we have nine times the
24 coastline, the stewardship of which we take very seriously.

25 Western Australia is governed both by our federal

T001-7
Continued

T001-8
Thank you for the information.

T001-8

15

1 Australian laws and our state laws. Both governments,
2 federal and state, are democratically elected.

3 BHP Billiton is proposing to obtain natural gas
4 from the offshore, northwest region of our state, process it
5 onshore in our state, into LNG, and to export LNG by
6 purpose-built vessels to California.

7 In Western Australia we have extremely high
8 standards for environmental protection, pollution control,
9 worker safety, and preservation of sacred Aboriginal sites.
10 These standards are policed and enforced with penalties
11 available for noncompliance.

12 Similarly, to the process you were conducting
13 here, we encourage and require public involvement in our
14 environmental assessment processes. This insures that all
15 issues can be raised and are considered by our independent
16 environmental protection agency in making its
17 recommendations to government.

18 We already have a number of similar large, complex
19 projects in operation, that have been subjected to our
20 rigorous evaluation and regulation processes and that are
21 governed by stringent environmental laws.

22 BHP Billiton has operated many projects in Western
23 Australia and has been a good corporate citizen.

24 In summary, on behalf of the State Government of
25 Western Australia, I can insure you that the LNG to be

T001-8
Continued

16

1 produced by BHP Billiton will meet the very high standards
2 required and enforced by our state and federal governments.
3 Thank you.

4 MODERATOR GRANT: Thank you. Laurene Weste,
5 Sydney Dailey, John H. Andrews, Vicki Estrada, and Tony
6 Tartaglia.

7 MS. WESTE: It's Laurene Weste, thank you.

8 Good evening. I'm Laurene Weste, I'm a long-time
9 member of the Santa Clarita Valley. I've been involved in
10 numerous environmental projects and I find this one to be
11 most interesting.

12 I also happen to be a member of the Santa Clarita
13 City Council and the current Mayor for the City of Santa
14 Clarita. I'm delighted to have an opportunity to speak with
15 you this evening.

16 I appeared at your last hearing, in November 2004,
17 and I spoke about the pressing need for additional supplies
18 of clean, environmentally-friendly natural gas. We hope the
19 project, like a Cabrillo Port facility, will reduce our
20 State and Nation's dependence on oil and help meet our State
21 and Nation's clean air and energy goals.

22 I'm pleased that the Revised Draft Environmental
23 Impact Report has been prepared on this project and that
24 more information has been provided on the issues important
25 to those of us in Santa Clarita, such as biological

T001-8
Continued

17

1 resources, air quality, endangered species, and others.

2 I'm also pleased that key issues raised by the
3 City of Santa Clarita, namely, the impacts to our community
4 from construction of the needed natural gas pipeline will be
5 addressed.

6 Our EIR review is not complete, as Mayor Pro Tem
7 Marsha McLean stated. The City's review of the draft EIR
8 will continue to focus on issues identifying the evaluation
9 of the mitigation measures.

10 We also believe that it is critical to protect our
11 biological and cultural resources.

12 Our air quality is some of the worse in the
13 nation, in the Santa Clarita Valley and, therefore, all
14 impacts to our air quality must be evaluated with a critical
15 eye.

16 Traffic, the City would like to insure that
17 there's more than adequate measures to relieve any incidents
18 of impact due to construction.

19 Recently, due to street cuts, we had numerous
20 complaints, many numerous complaints from our citizens
21 regarding those impacts, so we would like to prevail upon
22 you to make sure that all of those are addressed.

23 Our community, our state, and our nation do need
24 additional viable and safe supplies of clean natural gas,
25 and I do believe projects like this can help achieve that

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T001-9

Mitigation measures for each significant impact are stipulated throughout the EIS/EIR and those that require future products, e.g., the Biological Resource Mitigation Implementation and Monitoring Plan, contain a listing of topics that must be addressed. These requirements are performance standards by which such plans would be evaluated when it is practical to prepare them. Under the CEQA, mitigation measures "may specify performance standards which would mitigate the significant effect of the project and which may be accomplished in more than one specific way." (State CEQA Guidelines section 15126.4(b)). NEPA does not require performance measures for proposed mitigation but only requires mitigation measures to be identified (40 CFR 1502.14(f) and 1502.16(h)).

T001-9

The lead Federal and State agencies share the responsibility to ensure that mitigation measures are implemented. Table 6.1-1 in Chapter 6 is the basis for the Mitigation Monitoring Program, which would be implemented, consistent with section 15097(a) of the State CEQA Guidelines, to ensure that each mitigation measure is incorporated into Project design, construction, operation, and maintenance activities.

T001-10

Section 4.2.5 contains information on liability in case of an accident and reimbursement for local agencies.

T001-11

T001-10

Sections 4.8.4 and 4.9.4 discuss these topics.

T001-12

T001-11

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T001-12

Section 4.17.4 contains information on potential transportation impacts and mitigation measures to address impacts. MM Trans-5a contains road repair requirements.

T001-13

T001-13

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T001-13 Continued

18

1 essential goal.

2 The City of Santa Clarita appreciates the
3 opportunity to participate with you on this plan, and it is
4 important that these issues relating to this project be
5 dealt with, and we appreciate the time to do that. Thank
6 you.

7 MODERATOR GRANT: Sydney Dailey.

8 MS. DAILEY: Good evening. My name is Sydney
9 Dailey and I'm here, tonight, at the request of the Los
10 Angeles Area Chamber of Commerce. Rusty Hammer, the current
11 CEO, is not able to be here tonight, but as a member of the
12 L.A. Chamber, I have been asked to place his letter of
13 support for Cabrillo Port into the record.

14 The Los Angeles Chamber of Commerce supports
15 increased natural gas utilization as part of an overall goal
16 to provide the region with a clean, reliable, and affordable
17 source of energy. Increasing natural gas production and
18 availability is vital to growing our economy and our nearly
19 1,500 members' bottom lines, we are concerned that the
20 country's natural gas production is currently not growing
21 enough to meet the demands of a growing populace and
22 expanding economy.

23 The L.A. Area Chamber requests that you consider
24 Cabrillo Port as part of a regional solution to meeting our
25 energy demands, which require diverse, clean, affordable,

T001-13
Continued

T001-14

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T001-14

T001-14 Continued

19

1 and reliable sources.

2 The L.A. Area Chamber is fully aware of the
3 environmental and safety issues that have been raised with
4 respect to the proposed LNG facilities. In this regard, it
5 is important to note that the recently revised Draft
6 Environmental Impact Report for Cabrillo Port has been
7 substantially rewritten to be responsive to previous public
8 comments.

9 This Revised Draft EIR includes new information
10 and additional data, and it clearly explains why Cabrillo
11 Port is an environmentally sound projects and shows how the
12 proposed facility will be operated safely.

13 Again, the L.A. Area Chamber respectfully requests
14 that you consider Cabrillo Port as part of a regional
15 solution to meeting our energy demands. Thank you for your
16 consideration.

17 MODERATOR GRANT: John Andrews.

18 MR. ANDREWS: Good evening. My name is John
19 Andrews, I am a retired Navy Reserve Commander in the U.S.
20 Coast Guard, Licensed Chief Engineer.

21 I have completed various U.S. Navy training
22 schools, including schooling at the U.S. Navy War College,
23 at Newport, Rhode Island. I have worked on liquid natural
24 gas vessels for well over 20 years.

25 I started my career on LNG tankers with the El

T001-14
Continued

T001-15

Thank you for the information.

T001-15

1 Paso Natural Gas Company, out of Texas. El Paso ran
2 membrane type LNG vessels, which protect the LNG cargo tanks
3 by a series of two still hulls, balsa wood insulation and
4 two membranes.

5 For approximately 15 years I worked on LNG tankers
6 for a New York based energy transportation corporation. And
7 then Pronab Ship Management, out of Greenwich, Connecticut.

8 I believe Marine Engineers Beneficial Association
9 is an organization that would be paramount to the safe and
10 secure success of Cabrillo Port.

11 Over my 20 years as a shipboard engineer on LNG
12 carriers, I have been responsible for all aspects of safe
13 and secure handling of LNG. The transportation of LNG has
14 an excellent safety and environmental record. I believe
15 that LNG carriers are the safest type of tank vessels
16 provided, by qualified people operate the vessels.

17 I have been through every nook and cranny of LNG
18 carriers, whether at sea, during the construction and
19 building phases of LNG vessels in shipyards, and during ship
20 scheduled maintenance, overhauls in ports all over the
21 world.

22 For all intents and purposes, I considered BHP
23 regasification plant to be a stationary ship. The only
24 difference between the ship and the regasification plant is
25 that the ship has a propulsion system that allows it to move

T001-15
Continued

21

1 from point A to B. The similarities between an LNG ship and
2 the Cabrillo Port's regasification plant are nearly
3 identical.

4 When I sailed LNG vessels, I lived aboard the
5 vessels where there was a watch rotation that covered 24
6 hours per day, seven days per week. I worked four months on
7 and four months off for 20 years, and when my time was up
8 for the given voyage, another LNG shipboard engineer would
9 take over my place.

10 Here, BHP's regasification plant would be 21 miles
11 from Oxnard and 14 miles from the nearest landfall and it,
12 too, would be required to have workers live on the FSRU,
13 where there would be a watch rotation covering 24/7.

14 On board LNG vessels there is marine type
15 machinery and equipment associated with the transportation
16 of LNG in order to keep the natural gas in liquid form,
17 which is a benign state.

18 On this FSRU plant there would also be marine type
19 machinery and equipment that will be used in order to change
20 the fossil fuel from liquid form, back into natural gas,
21 which is just a big stainless steel radiator.

22 Members of the public must understand that, as an
23 advanced LNG regasification plant, Cabrillo Port will
24 feature state of the art facilities and proven technology
25 with natural gas use, instead of diesel machinery, to power

T001-15
Continued

T001-15 Continued
Thank you for the information.

T001-16
Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

22

1 the entire facility in order to minimize emissions locally
2 and internationally.

3 As I have stated, natural gas is safe to transport
4 and store, provided that there are qualified people handling
5 the transportation of it, and U.S. Merchant Mariners can
6 play a most important role in this endeavor.

7 Throughout my career, the corporate officials that
8 owned the LNG carriers had no problem ever sailing aboard
9 vessels that Marine Engineers Beneficial Association
10 staffed, along with officers' family and guests, that shows
11 the corporations and, more importantly, insurance
12 underwriters believe the ships were being operated
13 professionally and that the carriage of LNG could indeed be
14 handled and transported safely.

15 Thank you very much.

16 MODERATOR GRANT: Vicki Estrada.

17 MS. ESTRADA: Good evening. My name is Vicki Cho
18 Estrada and I'm a resident of Valencia.

19 I'm here tonight at the request of several
20 residents of the Santa Clarita Valley. I have ten letters
21 of support for the Cabrillo project that I wish to submit
22 for the record at this hearing, tonight.

23 Not all these people were able to be here, but
24 they wanted to be sure that you received their letters of
25 support.

T001-15
Continued

T001-16

1 Importantly, local land use attorney and Santa
2 Clarita Chamber Member, Hunt Brawley, from the Hacker
3 Brawley firm, asked me to be sure to acknowledge the work
4 that the State Lands Commission has put forth in evaluating
5 the safety, environmental impacts, and visibility of the
6 offshore LNG facility, Cabrillo Port.

7 He states that "with the recently revised Draft
8 EIR, it appears that issues raised at previous public
9 hearings had been sufficiently addressed. Therefore, it is
10 time to move this project forward."

11 He states that he is pleased that "the report
12 addresses the local impacts on natural gas pipeline
13 construction in Santa Clarita. Most importantly, the Draft
14 EIR shows that the project is environmentally sound and can
15 be operated safely."

16 Mr. Alliston says that "with the need for more
17 natural gas supplies recently in the news, he felt compelled
18 to write and add his two cents. Yes, we certainly need more
19 natural gas supplies to meet the State's growing demand."

20 He states that "the facility is a viable project."
21 What he likes about the facility is "it will bring another
22 source of natural gas supplies to the State, it will help
23 keep natural gas supply prices from fluctuating, and it will
24 help the State achieve cleaner air."

25 He believes this is the right project to meet

T001-16
Continued

T001-16 Continued

24

1 California's future energy needs.
2 Ms. Theresa Dubrese says that "this past winter
3 her family was faced with very high natural gas bills." She
4 applauds any effort by the State to diversify natural gas
5 supplies so we can be protected from price hikes in the
6 future.

7 I'd like to submit the letters from these folks,
8 as well as others in the stack, for the record. Thank you.

9 MODERATOR GRANT: Tony Tartaglia.

10 MR. TARTAGLIA: Good evening, my name's Tony
11 Tartaglia, I'm a Public Affairs Manager with the Southern
12 California Gas Company.

13 The Southern California Gas Company supports
14 bringing in new and diverse supplies of natural gas,
15 including liquified natural gas, into our region, because we
16 believe more supplies will benefit all of our customers.

17 New supply sources will increase the reliability
18 of natural gas in Southern California and help reduce
19 prices.

20 A study by Cambridge Energy Research Associates, a
21 leading international consulting firm that specializes in
22 energy issues, estimates that the total savings in gas costs
23 from bringing in LNT into the west coast, will be at least
24 several hundred million dollars and could be as high as a
25 billion dollars a year.

T001-16
Continued

T001-17
Thank you for the information.

T001-17

T001-17
Continued

1 While we support bringing in additional gas
2 supplies, the Southern California Gas Company on all LNG
3 projects proposed in the State.

4 We believe it is up to local communities and
5 appropriate regulatory agencies to decide if and where LNG
6 facilities should be decided and what mitigation measures
7 should be required for approved facilities.

8 Natural gas from this, or any other site built in
9 Southern California, will be fed into our natural gas pipe
10 system.

11 Let me say, safety is number one and a priority of
12 ours.

13 As with these facilities, and any other facilities
14 we build, they will meet or exceed all Federal and State
15 safety standards for design, construction, operation and
16 maintenance.

17 We design and build our pipelines, and other
18 facilities, very conservatively. And will conduct rigid
19 inspections and testing before any line comes into service.

20 We take a number of steps, including regular
21 leakage surveys, intensive inspections to check the
22 condition of operating pipelines. And when we recognize a
23 potential problem, we take steps to prevent it from becoming
24 an actual problem.

25 The Southern California Gas Company has been

T001-17 Continued

26

1 serving this region for over 140 years, and in all of those
2 years we have maintained a strong safety record. We will
3 work hard to maintain not only our safety record, but the
4 trust and confidence of our customers in the communities we
5 serve.

6 Thank you very much.

7 MODERATOR GRANT: Thank you. Okay, the next group
8 of names will be George Shaw, George Minter, Doug Van
9 Leuven, John Coelho.

10 George Shaw.

11 MR. SHAW: Is it my turn? Ladies and gentlemen,
12 thank you very much for allowing me to speak this evening.
13 I spoke to you in December of 2004, over at the Oxnard
14 hearings, and I was asked to come again and represent public
15 school children and teachers of this State.

16 Our interest in this project is very limited and
17 very specific to safety. The previous speaker, I noted,
18 talked about safety requirements regarding design and
19 construction, and so on.

20 I suppose where you sit is where you stand. Our
21 concern is for the safety of the children, the teachers, the
22 parents and the classified staff who work in the schools,
23 and then not in any way for the product loss which is so
24 common of the risk analyses performed by industry.

25 California Code of Regulations does require school

T001-17
Continued

T001-18

T001-18
Thank you for the information.

T001-18 Continued

27

1 districts, who are proposing new school sites within a study
 2 zone, set right now at 1,500 feet, to perform a pipeline
 3 risk analysis based on a protocol that we have developed
 4 with a nationally known firm in Austin, Texas. And they do
 5 this on occasion as good school sites are harder and harder
 6 to come by, as developers are building in traffic corridors
 7 and utility corridors, where they did not before.

8 So whenever a new school site is being proposed
 9 and there's a pipeline operating at 80 psi, pounds per
 10 square inch or greater, they must do this pipeline safety
 11 analysis to determine what the proper set back should be.

12 By the same token, we want to see any pipelines
 13 that are being proposed within a certain radius of schools,
 14 existing or actively being proposed, to meet the same
 15 standard of public safety.

16 There is some concern that 1,500 feet is no longer
 17 quite adequate for a study distance, but we should find out
 18 as soon as the first one's done on a pipeline, a school site
 19 that's within 1,400 feet, because we'll see pretty quickly
 20 and clearly whether the pipeline and the school are
 21 compatible.

22 That is our concern, we wanted to make you aware
 23 of Title 5, California Code of Regulations, Section
 24 14010(h), that does require this of school districts, and we
 25 would respect the proponents of this project to honor that

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T001-18
Continued

T001-19

Thank you for the information. Figure 2.1-1 identifies the location of the proposed pipeline. Sections 4.13.3 and 4.13.4 contain information on potential impacts on existing and future land uses near the proposed pipeline route and mitigation to address such impacts. As discussed in Section 4.13.2.1, "Consistency with local land use plans must be viewed within the context of the existing franchise agreements that Ventura County and the Cities of Oxnard and Santa Clarita have with SoCalGas. These franchise agreements grant the right, privilege, and franchise for SoCalGas to lay and use pipelines and appurtenances for transmitting and distributing natural gas for any and all purposes under, along, across, or upon public streets and other ROWs."

The design, construction, and operation of natural gas facilities are highly regulated; the U.S. Department of Transportation's (USDOT) Pipeline and Hazardous Materials Safety Administration and the California Public Utilities Commission's Division of Safety and Reliability have jurisdiction over pipelines. Section 4.2.8 discusses the background, regulations, impacts, and mitigation measures for natural gas pipelines. Section 4.2.8.4 describes Project-specific valve spacing and design requirements.

The proposed pipelines would meet standards that are more stringent than those of existing pipelines because they would meet the minimum design criteria for a USDOT Class 3 location. Also, MM PS-4c includes the installation of additional mainline valves equipped with either remote valve controls or automatic line break controls. SoCalGas operates high-pressure natural gas pipelines throughout Southern California.

Section 4.13.1.3 contains revised text to clarify the State of California Department of Education's (CDE) criteria for locating schools near pipelines. School site selection standards, Title 5 of the California Code of Regulations section 14010(h), state that school sites shall not be located near an aboveground water or fuel storage tank or within 1,500 feet of the easement of an aboveground or underground pipeline that can pose a safety hazard as determined by a risk analysis study conducted by a competent professional. According to the CDE, the May 2002 draft *Proposed Standard Protocol Pipeline Risk Analysis*, which was prepared under contract for the CDE, has become the de facto acceptable assessment methodology to guide the conduct of such a risk analysis after a school site is selected, even though there is

T001-19

no legal requirement to use it. Section 14010(h) does not prescribe a minimum setback for proposed school sites from natural gas pipelines, and the existence of a pipeline within 1,500 feet of a proposed school site does not automatically preclude the site from approval. The results of the risk analysis are used to determine the suitability of a proposed school site and would be used to prescribe setback requirements on a case-by-case basis.

Education Code section 17213 prohibits the acquisition of a school site by a school district if the site "contains one or more pipelines, situated underground or aboveground, which carries hazardous substances, acutely hazardous materials, or hazardous wastes, unless the pipeline is a natural gas line which is used only to supply natural gas to that school or neighborhood." The proposed natural gas pipeline does not cross any proposed school site.

T001-19 Continued

28

1 with full mitigation, if it's unavoidable.

2 I want to commend, though, BHP Billiton for
3 working with us, in the school districts, to reroute a
4 length of the pipeline over in Ventura County around an
5 existing school on Highway 118. The proposed pipeline
6 routes still come within 1,500 feet of three actively
7 proposed school sites along Hueneme Road, there's a large
8 subdivision being planned for that. If it's possible to
9 move that pipeline south, we would appreciate it very much.
10 Thank you.

11 MODERATOR GRANT: George Minter.

12 MR. MINTER: Hi, good evening. Thank you. My
13 name is George Minter, from Los Angeles, and I'm here to
14 submit into the record, tonight, a letter from the Los
15 Angeles Department of Water and Power, that commits the DWP
16 to discuss and, when BHP Billiton is ready, to negotiate in
17 good faith for supplies from the Cabrillo Port facility.

18 Both the Assistant General Manager, Henry
19 Martinez, as well as the LADWP Board President, Mary
20 Nichols, indicated that this letter underscores the
21 Department of Water and Power's interest in an LNG supply
22 and, certainly, it demonstrates the need for Cabrillo Port.

23 LADWP is the largest municipal utility in the
24 nation, serving over 3.9 million customers. DWP's a major
25 consumer of natural gas in California, with an annual

T001-19
Continued

T001-20

Thank you for the information. Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T001-20

T001-20 Continued

29

1 consumption at all of its facilities, totalling
2 approximately 61 billion cubic feet.

3 Like all major California natural gas consumers,
4 LADWP is beginning to see the impacts of an abrupt and
5 significant rise in natural gas prices. They're also seeing
6 the reduction in the number of potential suppliers, as well
7 as a decline in the sources of natural gas supply.

8 LADWP states that they agree that LNG imported to
9 California can provide a reasonable alternative to the
10 natural gas market crisis, which is evolving.

11 LADWP states they fully support efforts to bring
12 LNG to California as soon as possible.

13 And they state that while they recognize BHP
14 Billiton is not yet in a project phase to sell supply, they
15 are committed to discuss and, when BHP is ready, to
16 negotiate in good faith for supplies from Cabrillo Port, or
17 include supplies from Cabrillo Port in future long-term
18 requests for proposals for long-term natural gas supply.

19 Let me submit this into the record, this letter
20 from DWP, as documentation of the need for the Cabrillo Port
21 facility. Thank you.

22 MODERATOR GRANT: Thank you.

23 Doug Van Leuven.

24 MR. VAN LEUVEN: My name is Doug Van Leuven, I'm a
25 U.S. Coast Guard Certified Chief Engineer, and Cargo

T001-20
Continued

T001-21

Thank you for the information. Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T001-21

1 Engineer for LNG operations. I'm a California resident.
2 There is a lot of misinformation in the public
3 domain about Cabrillo Port and liquified natural gas. Yet,
4 as more people find out the truth about LNG and Cabrillo
5 Port, the benefits it will bring, the more comfortable and
6 accepting people will become towards this project.

7 Citizens should know that the revised EIR is a
8 document completely produced by an independent, third-party
9 environmental consulting firm, retained by California State,
10 and Federal regulatory agencies, namely, the United States
11 Coast Guard, U.S. Maritime Administration, and the
12 California State Lands Commission.

13 The revised EIR is not the work product or alter
14 ego of BHP Billiton.

15 I will now add to the education process. I
16 support Cabrillo Port project because LNG transportation has
17 been proven to be safe.

18 I began my career in late 1980 on LNG ships. I
19 have over 18 years of experience transporting LNG from
20 liquefaction terminals to regasification terminals
21 worldwide. I sailed with Energy Transport Corporation for
22 15 years, transporting LNG from Indonesia to Japan. I spent
23 another three and a half years sailing with LNQ (phonetic)
24 Corporation, transporting LNG to the United States, Europe
25 and Asia.

T001-21
Continued

1 During our tours of duty, usually six months per
2 year, the wives and children of the shipboard officers
3 frequently traveled with us during portions of the tour.
4 We believe it to be safer aboard an LNG tanker than walking
5 the streets in any city, so long as the people handling and
6 transporting the natural gas have the requisite training and
7 qualifications.

8 I learned to master the LNG trade through hands-on
9 experience. Also learned my trade through extensive
10 continuing education and training through my union's
11 training facility and, importantly, as a member of the
12 Marine Engineers Beneficial Association, AFL-CIO.

13 I support the use of BHP Billiton's regasification
14 plant and the entire project because I believe it to be
15 safer than nuclear power plants and environmentally better
16 than coal-burning facilities. Natural gas is a more
17 efficient energy source, as well.

18 Each LNG vessel carries sufficient natural gas to
19 power the needs of a city of 75,000 for a year.

20 The process of converting liquified natural gas
21 back to its gaseous state, for use in our homes, has been
22 utilized for more than 40 years. We do not need another
23 energy crisis in California. Because of limited domestic
24 sources of natural gas, California is vulnerable to another
25 energy crisis.

T001-21
Continued

T001-21 Continued

32

1 According to the California Energy Commission, our
2 natural gas supplies will begin diminishing in less than two
3 full years from now. Cabrillo Port is using state-of-the-
4 art facilities and proven technology to deliver the natural
5 gas that California needs to meet its energy goals now and
6 for the future.

7 The Cabrillo Port Regasification and Storage
8 Facility, as well as the transportation of LNG to the
9 facility, can be achieved in a safe and secure manner
10 provided that the most qualified, the best trained personnel
11 are employed, and those outstanding shipboard and FSRU
12 employees can be provided by the Marine Engineers Beneficial
13 Association. Thank you.

14 MODERATOR GRANT: Thank you.

15 All right, Mr. Coehlho.

16 MR. COEHLHO: Good evening. My name is John
17 Coehlho, I live in Cool, California, a town in the Sierra
18 Nevada, about 30 miles northeast of Sacramento.

19 I've sailed 22 years on liquified natural gas
20 tankers. I possess an unlimited U.S. Coast Guard Captain's
21 license. I sailed on seven of the eight LNG vessels that
22 were registered under the American flag and that carried LNG
23 from Indonesia to the Far East.

24 I have sailed as chief mate, cargo officer
25 responsible for the entire safe handling of LNG cargo,

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T001-21
Continued

T001-22

Sections 4.2.7.3 and 4.3.1.5 contain information on the use of
American crews and U.S.-flagged vessels.

T001-23

Thank you for the information.

T001-22

T001-23

1 including the safe operation, loading and discharge of
2 liquified natural gas.

3 U.S. Merchant Mariners are the pioneers of
4 shipboard transportation of LNG, and the Marine Engineers
5 Beneficial Association supplied these pioneers.

6 I sailed on vessels that transported LNG in the
7 Far East trade, even to the environmentally safety conscious
8 country of Japan. If LNG could not be handled and
9 transported safely, then the Japanese would never have
10 allowed LNG tankers into their ports. The Japanese are
11 known to be extremely safety conscious.

12 I know this because during my career we
13 transported LNG from loading ports in Sumatra and Borneo,
14 Indonesia to discharge ports in Japan. Japan would then
15 regasify and store the natural gas on the mainland, and
16 within about one mile of residential communities. And we
17 have an impeccable safety record. The lives of thousands of
18 Japanese citizens depended on the U.S. Merchant Marine to
19 insure the safe and secure supply of this vital energy
20 source.

21 While the Cabrillo Port LNG project, the storage
22 and regasification terminal may be of concern to citizens of
23 California, such concerns are not of the same degree as the
24 concerns involved when LNG tank ships are discharging and
25 regasifying liquified natural gas within one mile of a

T001-23
Continued

T001-23 Continued

34

1 residential community. Cabrillo Port will be located 21
2 miles from any major population center and 14 miles from the
3 nearest landfall.

4 And the question you need to ask is if the U.S.
5 Merchant Marine can safely and securely deliver LNG to a
6 nation where the nearest residential community is one mile
7 from the regasification and storage facility, then wouldn't
8 you want the U.S. Merchant Marine working on vessels and the
9 deepwater port facilities that ultimately deliver natural
10 gas to California.

11 BHP Billiton is an Australian company and, like
12 our two nations, which have been strong allies, standing by
13 each other for decades, I believe BHP intends to stand by
14 the communities in which it lives in and works with, while
15 it undertakes to make sure California's energy needs are
16 met with now and in the future.

17 That intention, however, must utilize the safety
18 and security of the front line delivering gas to the market,
19 and that front line is the U.S. Merchant Marine. Thank you.

20 MODERATOR GRANT: Thank you. Our next group of
21 names, Cam Noltemeyer, William Doyle, Larry Mankin, and
22 Carolyn Casavan.

23 Cam Noltemeyer.

24 MS. NOLTEMEYER: Yes, Cam Noltemeyer, long-time
25 resident of Santa Clarita. I have several problems with the

T001-23
Continued

T001-24

T001-24

Sections 4.2.7.3 and 4.3.1.5 contain information on the use of American crews and U.S.-flagged vessels. Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

35

1 proposed pipeline through the City of Santa Clarita, and I
 2 am very disappointed in the lack of leadership we have seen
 3 in the concern for the citizens.

4 I have a problem with your map. Your map does not
 5 show all the roads that are now in this area, especially the
 6 Golden Valley Road. And we have a high school there, Golden
 7 Valley High School, and we can't tell by this little map,
 8 we've been trying to pinpoint where it is, but without
 9 showing the actual roads that are there, now, it is hard.
 10 But there is a high school, Golden Valley High School, on
 11 Robert C. Lee Parkway, on Golden Valley Road.

12 We're very concerned about that high school. It's
 13 already next to a brown field, it has oil wells underneath
 14 it, it's next to a hazardous testing facility. I mean, it's
 15 really in a bad area already, and all of this has been
 16 approved by the school district, the city council, and
 17 everyone else.

18 So we're concerned about the people in there, the
 19 Circle J Ranch. I don't think this has been very advertised
 20 in this community and they really will be impacted from what
 21 your map is here. But for this community to be informed, we
 22 should at least have a map that shows where the major roads
 23 are now, so that we can locate this high school that's
 24 there.

25 There's also a proposed school on the Whittaker

T001-25

Thank you for the information. Figure 4.13-4 shows the location of the Golden Valley High School. Section 4.13.1 discusses sensitive land uses in proximity to proposed and alternative pipeline routes, such as schools. There are no schools in the immediate vicinity of either of the proposed pipeline routes. Section 4.2.8 describes regulations regarding pipelines, including the requirement to establish public education programs to prevent and respond to pipeline emergencies. Section 4.16.1.2 describes emergency planning and response capabilities in the Project area.

T001-25

T001-26

Section 1.5 contains information on the public review and comment opportunities provided by the lead agencies in full conformance with the provisions of the law. Both the CSLC and MARAD/USCG have met or exceeded the public notice requirements for this Project (see Sections 1.5.1 and 1.5.3). Figure 4.13-4 shows the location of the Golden Valley High School.

T001-27

Section 4.13.1 discusses sensitive land uses in proximity to proposed and alternative pipeline routes, such as schools. Section 4.13.1.4 contains updated text on this topic. Figure 4.13-4 shows the location of the proposed pipeline route in relation to the Whittaker-Bermite site.

A 10-acre site on the Whittaker-Bermite property clean-up site that was previously reserved for a school as part of the Porta Bella Specific Plan is more than 0.4 mile (0.6 km) from the proposed pipeline route. Due to a change in property ownership, the Santa Clarita Planning Division anticipates that a new specific plan for the area will eventually be developed. There are no schools in the immediate vicinity of the proposed pipeline route.

T001-26

T001-27

T001-27 Continued

36

1 Burmite site, and your own study says "in Santa Clarita, the
 2 proposed pipeline route would transverse open space, and
 3 residential, industrial, and commercial areas. The proposed
 4 pipeline would not cross any sensitive land use, such as
 5 schools or hospitals, and none are directly adjacent to the
 6 proposed pipeline."

7 There's no way to tell that. And that high school
 8 is in that area.

9 Although several potential locations for new or
 10 expanded schools have been evaluated by local school
 11 districts, none have been proposed to date for design to
 12 construction. That is wrong. It's there, it's constructed,
 13 it's been in operation, so how can that be stated.

14 Also, it says here that the pipeline will go
 15 through the Whittaker Burmite site, a brown field in our
 16 area that is now in the process of being cleaned up. And it
 17 even mentions O.U.2. Now, O.U.2., I know, is close to this
 18 high school, because we've had a lot of problem with the
 19 manipulations of the O.U. or the portions of this Whittaker
 20 Burmite site. And right now, O.U.1. is being cleaned up,
 21 but it's only being cleaned up down to like 10 feet, maximum
 22 40 feet, even though contamination goes down to 150 feet.
 23 And you're talking about going through there.

24 So I also have a problem with saying it will be a
 25 phase three. We had a problem in this community, already,

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T001-27
Continued

T001-28

Section 4.13.1.4 of the March 2006 Revised Draft EIR states,
 "...several sensitive land uses are located in the vicinity of the route
 and its alternative...Of particular interest [is]...Golden Valley High
 School (approximately 0.25 mile [0.4 km] from the route)...There
 are no schools in the immediate vicinity of the proposed Project."

T001-29

Thank you for the information. Impact HAZ-3 in Section 4.12.4 has
 been updated. Line 225 Pipeline Loop would follow the southern
 edge of the Whittaker-Bermite site, adjacent to both OU 1 and OU
 2.

T001-28

T001-30

Your statement is included in the public record and will be taken
 into account by decision-makers when they consider the proposed
 Project.

T001-29

T001-30

T001-30 Continued

37

1 with the West Ranch High School, where there was a risk
2 analysis done on that and they said, oh, it's going to be a
3 phase three, and now it's built. And Southern California
4 Gas Company is saying, oh, no, we're going to operate it as
5 a one.

6 MODERATOR GRANT: William Doyle.

7 MR. DOYLE: Good evening. My name is William
8 Doyle and I serve as the Deputy General Counsel for the
9 Marine Engineers Beneficial Association. I represent
10 hundreds of members in the California area, specifically in
11 Los Angeles.

12 I am also a U.S. Coast Guard Licensed Marine
13 Engineer.

14 I want to put a couple of facts on the records
15 with respect to LNG and the import into the United States.
16 According to Jeff Wright, Chief, Energy Infrastructure
17 Policy Group, Office of Energy Projects, Federal Energy
18 Regulatory Commission, U.S. gas supply demand is expected to
19 increase by 40 percent by 2025. However, domestic supply,
20 which has not equaled demand for many years, will only
21 increase by 14.5 percent. Supply will not keep pace with
22 its demand growth for several reasons.

23 First, Mr. Wright sites the Annual Energy Outlook
24 2005, Energy Information Administration, U.S. Department of
25 Energy, Table 13, which reaches the conclusion the

T001-30
Continued

T001-31

T001-31
Thank you for the information.

1 production from conventional underground gas deposits is
2 expected to decline between now and 2025. This decline is
3 somewhat offset by increased gas production from
4 nonconventional domestic gas sources, most notably coal bed
5 methane, increased production from deep water sources,
6 greater than 200 meters, in the Gulf of Mexico, and
7 commencement of deliveries of Alaska gas to the lower 48
8 states.

9 The Alaskan volumes are problematic, according to
10 Mr. Wright, because there has been no application to
11 construct the necessary infrastructure to transport gas and
12 the timeline from application to first delivery is
13 approximately ten years.

14 The second problem is the flattening of gas
15 production in Canada, the primary source of U.S. natural gas
16 imports. The National Board of Canada states the Western
17 Canadian Sedimentary Basin, WCSB, accounts for more than 90
18 percent of the gas production in Canada, and for about 23
19 percent of North American natural gas production, annually.
20 In the last few years, gas production from the WCSB appears
21 to have flattened after many years of growth, leading to
22 increased uncertainty about the ability of industry to
23 increase or even maintain current production levels from the
24 Basin over the long term.

25 Canada's maturing gas production, along with a

T001-31
Continued

1 growing economy, will combine to constrain future imports to
2 the United States.

3 The third consideration is that the exports of gas
4 to Mexico have increased greatly in the last few years.
5 Although these exports do not constitute a large overflow of
6 gas at present, however, the Mexican economy is growing, and
7 if it continues to grow, its demand for natural gas will
8 increase and require the United States to import an
9 increasing demand of gas to meet not only domestic needs,
10 but also the needs of Mexico.

11 In other words, what Mexico imports and shares
12 today, by way of natural gas, Mexico may not be able to
13 share later.

14 California is getting squeezed. There is a
15 decline in the underground domestic gas reserves. Canada
16 has its own problems with the flattening of gas production
17 and needs to fulfill its own demands, and Mexico is going to
18 rightfully take what's theirs in order to meet its future
19 gas demands.

20 BHP Billiton's Cabrillo Port, in part, answers the
21 import capacity problem for the United States, in particular
22 California.

23 In closing, it is my understanding that existing
24 Southern California Gas Company natural gas pipelines have
25 been used for more than 40 years to deliver natural gas to

T001-31
Continued

T001-31 Continued

40

1 California's homes. So. Cal. Gas will own and operate all
2 new onshore pipelines constructed to accommodate the natural
3 gas imported from Cabrillo Port.

4 Thank you.

5 MODERATOR GRANT: Thank you.

6 Larry Mankin.

7 MR. BRUMFIEL: Good evening. My name is Jack
8 Brumfiel. Larry Mankin wanted to be here tonight, but was
9 unable to attend, and asked me to read, into the record, the
10 letter that he has submitted to the State Lands Commission
11 this afternoon.

12 "I'm Larry Mankin, President and CEO of
13 the Santa Clarita Chamber of Commerce.
14 I'm writing as President and CEO of the
15 Santa Clarita Chamber of Commerce, and
16 our 1,700 members, to express our
17 continued support for the Cabrillo Port
18 LNG facility that will provide needed
19 new supplies of natural gas to
20 California, and support the State's
21 energy and clean air goals. Many of our
22 members, and millions of business, and
23 residents throughout the Santa Clarita
24 Valley, and Southern California rely on
25 a ready supply of clean-burning and

T001-31
Continued

T001-32

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T001-32

T001-32
Continued

1 efficient natural gas. We are concerned
2 about the increasing price and a supply
3 availability. We support expanding the
4 State's supply of natural gas and
5 Cabrillo Port will help do that. LNG is
6 safe and a clean energy form. It is
7 simply natural gas that can be delivered
8 right into the gas utility's pipeline
9 system, increasing the availability of
10 gas supplies and acting as a competitive
11 balance to help moderate prices of
12 natural gas transported to California
13 from other areas. I commend the State
14 Lands Commission and its staff for the
15 time and effort invested to
16 comprehensively evaluate the
17 environmental impacts of the proposed
18 Cabrillo Port offshore facility. I am
19 glad the Commission has recently
20 released the Revised Draft Environmental
21 Impact Report that is responsive to
22 earlier public comment. This revised
23 DEIR has been substantially rewritten,
24 with additional data incorporated from
25 numerous studies and recent surveys

T001-32 Continued

42

T001-33

Thank you for the information.

T001-32
Continued

1 concerning biological resources, water
2 resources, endangered species, oak
3 trees, cultural resources, and other
4 important issues. Importantly, this
5 report explains why Cabrillo Port is an
6 environmentally sound project and shows
7 the proposed facility can be operated
8 safely. I am also pleased that Cabrillo
9 and local gas utility officials will
10 monitor impacts related to the natural
11 gas pipeline project during the
12 construction process, an issue important
13 to our members and to the City of Santa
14 Clarita. California needs an LNG
15 delivery option and I hope the Cabrillo
16 Port can be permitted and operated as
17 soon as possible."
18 Again, this letter was submitted today, Larry D.
19 Mankin, President and CEO of the Santa Clarita Chamber.

20 Also, a letter is being submitted to your
21 Commission from the President and a local business leader,
22 from the Santa Clarita Chamber. Thank you.

23 MODERATOR GRANT: Thank you.

24 Carolyn Casavan.

25 MS. CASAVAN: It's Carolyn Casavan. My name's

T001-33

T001-34

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

43

T001-34

1 Carolyn Casavan and I'm here, today, representing the Valley
2 Industry and Commerce Association, also known as VICA. And
3 VICA represents over 300 business and 250,000 employees
4 throughout the San Fernando Valley.

5 VICA supports Federal and State approvals for a
6 California LNG facility, such as Cabrillo Port, in order to
7 insure a safe, reliable, and long-term supply of natural gas
8 to meet the State's energy needs.

9 As has been noted, the Revised Draft Environmental
10 Impact Report for Cabrillo Port has been substantially
11 revised to be responsive to public commentary.

12 The DEIR addresses the important public safety
13 issue being raised with regard to LNG, the impact of a
14 catastrophic event, and concludes that if such an event to
15 occur, although unlikely, it would impact only a limited
16 radius around the facility and, thus, would not imperil
17 coastal residents or commerce.

18 We believe that this report explains why Cabrillo
19 Port is an environmentally sound project and shows how the
20 proposed facility can be operated safely.

21 Also, it has been noted the increased use of
22 natural gas has become a major part of California's effort
23 to improve air quality and protect our environment. And we
24 see that more and more. For business, natural gas has
25 become the fuel of choice to meet increasingly strict air

1 quality standards. So our demands are going up not only
2 because of our increased demands for energy, but also for
3 air quality standards businesses are turning to natural gas.

4 Over the next several years, the U.S. and
5 California will need new supplies of natural gas and the
6 delivery of liquified natural gas will become an important
7 natural gas supply option.

8 We urge the Lands Commission to move forward with
9 BHP Billiton's proposed Cabrillo Port Project. We believe
10 that the Revised DEIR appropriately considers environmental
11 impacts and that its conclusions should lead to the adoption
12 of a final EIR and the granting of a land lease by the
13 California State Lands Commission to operate an undersea
14 pipeline to deliver needed new natural gas supplies into the
15 Southern California natural gas pipeline system.

16 Thank you.

17 MODERATOR GRANT: Thank you.

18 I have no more speaker cards. Is there anyone who
19 would like to speak, who did not fill out a card as of yet,
20 who wanted to hear the comments and now wanted to say
21 something? No.

22 Is there anyone who wants to finish, who feels
23 that they didn't have enough time with their three minutes?

24 Okay, that being the case, we are scheduled to be
25 here until about nine o'clock, and so we will be here. But

45

1 we'll just be waiting for other people to come, who would
2 like to share comments with us.

3 And with that, I think, for the most part we'll
4 take a break so that the Panelists can go get water, or
5 stretch their legs, and we'll take a few minutes.

6 (Off the record.)

7 MODERATOR GRANT: All right. Now, it's 8:30, and
8 we're going to close the meeting, seeing that no other
9 testimony or comments have come forward for the last 45
10 minutes. So being 8:30, we're going to close it, now.

11 (Thereupon, the April 17, 2006
12 meeting and public hearing
13 concerning the Cabrillo Port
14 Liquefied Natural Gas Deepwater
15 Port, was adjourned at 8:31 p.m.)

16 --oOo--

17 * * * * *

18

19

20

21

22

23

24

25

CERTIFICATE OF REPORTER

I, RONALD J. PETERS, a Certified Shorthand
Reporter, do hereby certify:

That I am a disinterested person herein; that the
foregoing U.S. Department of Homeland Security, U.S.
Department of Transportation, and California State Lands
Commission public hearing on the Cabrillo Port Liquefied
Natural Gas Deepwater Port was recorded by my staff,
thereafter transcribed into typewriting, and personally
proofread by me.

I further certify that I am not of counsel or
attorney for any of the parties in this matter, nor in any
way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand
this 24th day of April, 2006.

Ronald J. Peters

Certified Shorthand Reporter

License Number 2780

Certified Manager of Reporting Services

Registered Professional Reporter

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345